GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1686
ANSWERED ON:25.11.2016
Revival of Package of Credit Co-operative Structure
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Will the Minister of FINANCE be pleased to state:

(a) whether Rs. 828.69 crore has been sanctioned to Gujarat Government as revival of package of credit co-operative structure under Prof. Vaidhyanathan Committee recommendations and if so, the details thereof;
(b) whether Gujarat State Co-operative Bank Ltd. filed recruitisation appeal before Hon"ble High Court of Gujarat through National Bank for Agriculture and Rural Development (NABARD) and if so, the details thereof; and
(c) the time by which this amount is likely to be released by the Government ?

Answer

The Minister of State in the Ministry of Finance

(a) to (c): Based on the report of the Vaidyanathan Committee, the Revival Package for Short Term Cooperative Credit Structure (STCCS) was announced in 2006. Under this Scheme, the share of Central Government in respect of the State of Gujarat, based on the special audit, was assessed at Rs.828.69 crore.
Release of funds under the Revival Package was contingent upon completion of benchmark activities stipulated in the Memorandum of Understanding (MoU). Based on the status of benchmark activities, the Central Government released Rs.567.78 crore to Gujarat under the Revival Package. The Scheme was closed on 30.6.2011. Since the State of Gujarat could not complete all the benchmark activities by the date of closure of the Scheme, i.e. 30th June, 2011, it was not eligible for any further support under the Package.
Gujarat State Cooperative Bank Ltd had filed a Special Civil Application on 5th May, 2015 (No.8319 of 2015) before the Hon'ble High Court of Gujarat, praying to issue an appropriate writ order or direction requiring the respondent authorities to disburse the remaining grant payable to the petitioner under the Vaidyanathan Revival Package. Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India and Ministry of Finance, Government of India were arrayed as respondent No.1 and 2 respectively. The High Court of Gujarat passed an order dated 13th May, 2015 directing that the respondent no.1 and/or respondent no.2 shall decide the representation made by the petitioner received through NABARD as expeditiously as possible. Accordingly, the Government through its speaking order, vide letter dated 25.8.2015, conveyed, inter alia, to Gujarat State Cooperative Bank Ltd that there has to be a time frame for any Scheme, and schemes involving financial implications cannot be kept open ended. However, the demand of various States, including Gujarat, for extending the period of implementation of the package was duly considered by GoI, but it was not found to be feasible. Though the Gujarat State Cooperative Bank has been requesting, through NABARD, for release of the remaining central share of Rs. 260.91 crore under the package on the ground that the benchmark activities have now been completed, the fact remains that these benchmark activities were not completed even by the extended time limit upto June 2011. Hence, the amount of Rs. 260.91 crore being demanded by the State can not be considered by GoI.

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